

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7299

BILL NUMBER: HB 1407

NOTE PREPARED: Jan 9, 2013

BILL AMENDED:

SUBJECT: Utility Company Mergers.

FIRST AUTHOR: Rep. Riecken

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: The bill requires the approval of the utility regulatory commission (IURC) before a public utility may sell stock, enter into certain contracts, effect a reorganization, or acquire control of another public utility.

Effective Date: July 1, 2003.

Explanation of State Expenditures: The bill changes regulation of utilities as it relates to the control and reorganization of the public utilities. It requires that the IURC must approve certain administrative decisions by the public utility.

This bill could increase administrative expenditures for the IURC beginning FY 2014. Any increase in administrative costs to the IURC will be offset by public utility fees. The IURC and the Office of the Utility Consumer Counselor (OUCC) are funded by public utilities. Each public utility must pay equal to 0.15% of its gross intrastate operating revenues for the preceding calendar year. The actual fee is based on the budgets of IURC and OUCC. At the end of the fiscal year, if the total public utility fees in the Public Utility Fund plus the unspent balance of the Fund exceeds the total appropriations for the IURC and the OUCC (plus a \$250,000 contingency fund), then the IURC must compute each utility's share of the excess. This share is then deducted from any subsequent payment of the utility's public utility fees.

Explanation of State Revenues:

Explanation of Local Expenditures: Under current law, the definition of public utilities does not include

municipality owned utilities. This bill would not have any local impact.

Explanation of Local Revenues:

State Agencies Affected: IURC

Local Agencies Affected:

Information Sources:

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